

Taking Risks and Loving the Process - How the Valor Team scaled to over 100 Clients

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Full Episode Transcript

With Your Host

Maddy Roche

XYPN Radio With Maddy Roche

Maddy Roche: Hello and welcome to XYPN Radio. I'm your host, Maddy Roche. And today I am honored to have founders of Valor Wealth Partners on the show with me today. Ed and Amanda built Valor with the intention of serving civilian federal employees. And today they'll discuss how and why they teamed up.

And how they went about navigating the first few years of business together. You'll hear how they leveraged workshops through a partnership with a group called ProFeds to be able to access their ideal clients. They'll talk about how they made big initial investments early on in the firm, both monetary and time wise that both of them say they would never regret.

Although they don't advise you to take those same risks, their experience here will be valuable to many of our listeners. Now with over 100 clients, Ed and Amanda speak from experience about what it takes to scale, hire, and build the systems and processes to run an efficient firm. I really appreciated their commentary about making their first hire.

They hired someone without industry experience, but who came to them with a lot of business acumen. And I also loved how they talk about supporting a community within their client base. So stick around to the end when they talk to you about a really unique initiative they've had for their clients. This episode will certainly inspire you to take risks, but it will also inspire you to focus on the relationships that can be cultivated and designed when building your ideal firm. Without further ado, here's my interview with Ed and Amanda. Hello, Ed and Amanda. Welcome to XYPN Radio. It is so nice to see you today.

Ed Smith: Thank you, great seeing you.

Maddy Roche: Ed, why don't you introduce yourself, and Amanda we'll ask you to do the same.

Ed Smith: My name is Ed Smith. I'm the president and founder of Valor Wealth Partners. I just recently moved to DC about nine months ago. I'm from Boston and we're a big firm that's growing and we support the civilian federal market and the federal employees and so that's why part of the move down to DC. We also specialize trying to get with younger federal employees, which is not common in the niche.

And we're just looking to be seeing how we can be expanding in DC and making a bigger impact where most of the federal employees are.

Maddy Roche: Amanda, why don't you give the listeners a little intro for yourself?

Amanda Lique: Sure, so my name is Amanda Lique. I've been with the firm for about five years now, almost since the beginning. I'm the Director of Operations. So I handle all of the behind the scenes stuff. Since COVID I've been working from the comforts of my home. And it's worked really well. I have two kids, so it gives me some flexibility there which has been great. I have a 16 year old daughter and a 10 year old son, so they keep me very busy when I'm not working.

Maddy Roche: Ed, tell us a bit more about why you chose this niche.

Ed Smith: When I was looking at forming the company there was two niches that I was really looking at. One of them was looking at the divorce market or it was looking at the federal employees. Something that I found from a previous client that was just underserved. And there really wasn't a lot of good guidance, except for a lot of salespeople that were out there really trying to sell insurance or trying to get just their retirement account.

When I looked at the divorce market I realized that people had just lost mostly half their stuff and they're not normally in a happy place. So I said, you know what, let me back away from this and I looked a little bit more at the federal employees and I really dug in and found that this is extremely complex,

but very repeatable, their benefits are just so overwhelming. It generally takes about eight months for them to finish their retirement package. So they don't get a final number for about eight months until after they retired. And I was just looking at one of them this morning they go back into everything. Any changes to health insurance, it's just very complex and people are very confused about these decisions.

So it was really made a lot of sense that we can provide a lot of value on not just the investments, on the planning but some of the things that people really weren't talking about like their health benefits, their student loans, basic investment planning. There's just a lot of things that we can be able to add value.

So I saw there was a very big need in that area.

Maddy Roche: Listeners, Ed just listed out so many different lenses to take when thinking about a niche. Ed, how would you advise other young advisors

who are considering entering into this space? How they should consider and think about a niche.

Ed Smith: The first is do you have a connection? Is there some relatability that you have to that group of people? I did serve in the Marines, so I was a federal employee, not on the civilian side but I do have a really big connection. About 30 percent of federal employees, civilian federal employees, serve in the military in some capacity.

Some retired, some were in it just like I was in it for I was in it for four years so I do have a connection to that level. The other area is, can you add value? Is there a certain area that you bring that the niche isn't getting at that point? And then can you be unique? One of the things that we really look at compared to a lot of our competitors in this niche is providing value in places they can't.

So even in the niche, when somebody wants to say compare us to another firm, they're like, wow, they're not doing this. They're not doing this. They're not doing this. Really we're limiting their choices to very few companies that can provide the services that we provide.

Maddy Roche: Amanda, what's your relationship to this niche, if any?

Amanda Lique: I really don't have a relationship to the niche as it is. Obviously I've come to learn a lot being part of the company now. It was foreign to me at that point but it's really just learning it as I've gone along.

Maddy Roche: Absolutely. Really good example that you don't have to necessarily have been walking in these individual shoes to be able to serve them.

Ed, walk us back down memory lane and tell us about how you got into this space.

Ed Smith: Memory lane started a long time ago. I would probably have to say why I got into the space started even before I was even in the business. I had received a small inheritance, maybe about \$200k-300k from a grandparent and my first advisor that I ever worked with was one of the top advisors in this firm in the area.

And now I know that top advisor meant best revenue producing advisor, not best advisor. And as a 22 year old I got some really good REITs, real estate

investment trusts. I got some variable annuities, that I couldn't touch till I was 65. And I was looking at going to college and different things.

Not the best thing for me. One, that the estate process was very complex. When I finally got out of college and was trying to find a job, I looked back at the investing and this was the late nineties and everything was just so much fun.

You could buy stocks and not have to worry about anything. And I was like, this is really cool and fun, I can do this for people. So in November of '99, I started my career as a stock broker. And the first day I was eligible to trade was when the Dow went down its biggest. It was a very eyeopening experience.

I remember the conversation, the Senior advisor was like. "You have no idea what's going on do you, kid?" As the Dow's down a massive amount. I forget this specific dollar amount. It's going to be a serious ride, just hold on. And it was for the next year and a half.

Again, I'm not from money. And so trying to build a business when you don't have the connections was very tough. And I moved on from there to went to insurance, was working for a captive agent for an insurance company, then a credit union for 13 years. And then, eventually decided that I needed to make a change.

I was just very miserable where I was for the last year or so. And I was just very down on the industry, on myself, on just where I was. It was a very dark place. To the point that I woke up one morning and my iPad where my calendar was, was blank and I was like, oh my God, I just got fired. It just turned out that IT had actually done a upgrade and forgot to tell everybody that you're gonna have a problem. But I was waiting to get fired and it wasn't because of me. I thought they might get rid of the whole department because it was just management was not really in the place that it should have been from some legal issues.

That was not any problem of theirs. It was just a witch hunt that went bad and turned everybody negative in the whole department. So it was pretty tough. And then I just was planning on leaving and actually had a planned retirement date or a planned exit date and went to a conference and I saw a Pre Con, which was really cool and changed my perception of the industry and how we can look at clients and different things like that.

And when I was leaving, I actually wasn't planning on starting my business. It was something I never wanted to do. I really just hate building a book of clients.

It's just a fear of trying to find new clients and oh my God, am I going to be able to do this? Nobody's going to want to talk to me.

Nobody's going to give me more money. I'm building a book five times. It's pretty tough off all of those different places, it's tough. But from that experience and leaving. I found a different place. I was actually looking to be doing more consulting type of work for advisors. And, when those two jobs that I was waiting for didn't materialize, my clients were like, no we really want you to start this company.

We really want you to do something. And I was like, let me see what I can do. I really put this company together very quick. Luckily that, Pre Con that I had it was actually with Michael Kitces. The first time I'd ever see or seen or heard anything of what he did. I put it based off of those principles and some of the things I learned from XY different podcasts that I was able to quickly put together and put this business together and then started growing.

Maddy Roche: Impressive. And I love how one conversation or presentation from either Alan or Michael over the years have really shaped people's lives. So going to a conference can change your lives, folks even if it's a LPL conference like I went to. Amanda, Ed credits you as his best business decision, by partnering with you.

So tell me how you got into the fold here.

Amanda Lique: So, Ed and I actually worked together at the same credit union for

a long time. I was on the banking side, working with members coming in and he was on the investment side. So he would cover the branches and I knew him really well, just from coming in and being a friendly face and not all the advisors were always friendly.

So it was always nice when he visited. So I knew him from there and then I actually was referring some business. To him that maybe I shouldn't have been so rocked the boat a little. And yeah, it ended up being a good thing because not that he didn't know me but it stirred things up and knew a little more of what I could be capable of.

So that's how we knew each other. And then when he left I saw his picture go by on the internet like it always does where we worked. So I was like, oh no, I was really sad he left. And then I remember standing in Kohl's when he announced

the launch of his business. And my husband had commented underneath the post, how much I would love to go work for him. We knew a lot of the same people and I was still working there. So that wasn't really timely or a good comment in my head at the time. At that point, Ed actually reached out to me and we started talking a little bit and push came to shove and I decided to come on board.

Maddy Roche: Ed, it is a big enough decision to go out on your own without a huge amount of preparation. Let's say, some of our listeners will be sitting there thinking I've been preparing for this for five years. But it's a whole nother can of worms to say you want to do it with a partner and start the firm and bring someone on relatively quickly.

So what was going through your mind then, when you saw Amanda's husband's post on your social media?

Ed Smith: Sure. And I had met Mark a couple of different times. We actually were both running, but I'd never seen them together. So I knew mark, I knew Amanda. so it was pretty cool. I'm very aware of where my strengths and weaknesses are. And some of my biggest weaknesses are on the operational side, I will delay doing something, it won't get done. I'm a typical advisor where oh, I have to send this paperwork out and it just sits there and it doesn't get done. So I know that. If I was left by myself, the business would not be in a good spot because I needed somebody to keep me accountable and make sure things were actually getting done, clients were getting called back. They were getting on my calendar and things like that. So I really knew this. So I launched in August, officially legally, and then started bringing on clients. The first client I think came over in the end of December. We had one client in 2018, and really we didn't have revenue and Amanda came on in January.

And it was no revenue but it was that I knew that without her or somebody that could actually keep me in a line, I would not be successful. So it was a huge leap of faith. We hadn't worked together that closely but just pre-revenue to really have somebody come on to take out of my savings to make sure that I'm paying them and responsible for their wages. She was in a very safe spot. Really good pay and everything like that for not having to worry about the safety of that to come to somebody that had no revenue. It was something that in my responsibility to her, that's a huge thing. But something I knew that I couldn't wait six months or a year or two years to do that. I just I wouldn't be able to do that myself.

Maddy Roche: Seems to speak volumes Ed, of the impact you can have relationally with people for Amanda to remember you, to know you and then to take a risk on you, quite frankly. Amanda, what did you need to hear from Ed at that time to know that jumping out of that safe W2 job at the bank or the credit union was worth your time and energy?

Amanda Lique: I really needed to know that I was going to get the flexibility that I needed. We were going to make something happen with this, it was definitely scary to walk away from an almost 15 year tenure at a position. And I had everything I needed, I had the schedule I wanted, so I know when I talked to him, my biggest fear was, please don't make me commute to Boston and I can't work more than 25 hours a week.

Those are my two demands. If you can meet those, we can continue this conversation. But it was really just knowing. I knew I was taking a risk, I knew that it was a brand new company. I knew that we had a lot of room to grow but just from what I knew about him and what clients thought of him, I saw the potential there and I wasn't really scared to do it.

I just knew what I was walking away from when I did it. And I have never regretted it. I can tell you that since I walked out the doors and into the new doors, I've not one day regretted the move.

Maddy Roche: I love that. Magic can happen. So Amanda, to use your words, you have made something of this. the company has gained a lot of traction and momentum. And just for our listeners sake, how many clients, households do you serve?

Ed Smith: So we have to divulge something here. So we put something on the questionnaire that wasn't maybe correct. as of right now, we just crossed a hundred.

Maddy Roche: Okay.

Ed Smith: Yep. So we, this week we actually had 101 right now. So we just picked up on two new clients over the last couple of days. So yeah, we just crossed over a hundred which is a good milestone for any firm, especially the way that we do business and our business model.

Maddy Roche: Okay. Incredible. Congratulations on that threshold. That is a big one. It makes sense because there's two of you that feels manageable and scalable. We'll get into some of your hiring initiatives here but let's go back

again. Where did those first initial clients come from? For any listener out there they're going to be like, I want a hundred clients, but how did you find them?

Ed Smith: We'll, I've been in the business for a long time and I have a lot of clients that I believe would have followed me from the credit union. So one of the things that I did was I'd always been very personable with clients. They had ways to reach me on my cell phone. They had ways to reach me through LinkedIn or different things like that.

But I was not allowed to reach out to clients. And there was a couple of people I reached out to before the company was formed that there was not the intent. It was we just had a really good relationship. I wanted to let you know that I was leaving, one day I'm there one day I'm not and I just talked to them.

So I shared that information. But it wasn't a try to bring them over. Part of the big business model was as soon as the credit union does the Jerry Maguire type of thing where they're reaching, calling and making sure that none of the clients leave, the client's going to call me and say, hey what's going on?

And try to figure out what's happening. The credit union never called my clients. And when I mean never, years that clients thought they were still working with me. And this is the crash of 2018. We had people that thought that I was watching their accounts and I wasn't. And when they finally reached out, they're like why didn't you call me?

I was like, I couldn't call you legally. I had restrictions on that. And so it was very tough. We didn't pick up the clients that we thought we were going to pick up that were just going to naturally just say, hey Ed, we care so much about you. You care about our family. That didn't happen. And it was very shocking.

The number of clients that we brought over, we might've brought over 20 clients. And that point 20 was the number that was, can we survive number? Can we be able to manage somewhat of the payroll for Amanda, not pay for me to help keep the company alive long enough to be able to do what we need to be able to do.

So that was part of where the initial burst came from, into 2019 we started doing workshops on the federal employee space when I had done the research on the company I found this really great marketing company and they do workshops. They do support for federal benefits. They train us up to make sure that we know what we're talking about.

And we did about 10 workshops that first year, massive amount. The first one we did in Boston we found out that DC might be opening up. There might be some opportunities to expand which I thought maybe in five years we would expand to DC. We expanded in two months later, which was why all of these workshops we dumped even more money that I didn't have as revenue out of my 401k took all the penalties. The tax hit the early withdrawal penalties. I devastated my future to basically go all in because I knew that's where the expansion was. I knew that if we were able to do DC right, we'd be able to basically be able to grow at the levels we'd want for the future of the firm.

And so this was between April of 2019 in November of 2019, I found the capacity of what one person could do and it was way too much for one person to do this and start growing a company. And then right after we were just getting all of this leads coming in COVID hit and basically all of the money that we spent to expand it to DC, was basically wasted on rent that we weren't going down there for leads that were just almost frozen because they didn't know what was going on. And so it was a lot of money that while the risk was good, it actually backfired and slower growth probably would have been better but you live and you learn, you take risks with a company and we're still here.

So we still have long drip. We did not get a lead or a client from that first workshop. And when I talk about this, the cost, overall with the speaker and these are full day workshops, the speaker, the space, the food that we provide, we're probably talking about \$7k-8k per workshop. And we did not get a client from that first workshop.

The second one, I think we got one. The third one, we didn't get any. The fourth one, we didn't get any. Most people would have stopped at that point. Not me. And Amanda is freaking out going, we're just burning through money. Are you serious? And I said, yup, we're going to keep going. And then we just started, then we started picking it up.

Now we've actually gotten a client from that first workshop. Two years later, and they are one of our most, valuable clients that we have between what they invest with us and what they pay on a monthly basis. It's that not only the determination that I believe in what we're doing, but also making sure that we're following up with people that we've talked to in the past, one way or another because they remember us and they remember what we're doing.

Maddy Roche: Amanda, what were you observing and experiencing during those initial workshops and how clients or prospective clients were receiving your education.

Amanda Lique: The workshops always seem to go phenomenally, so there was never anything in the workshop that would make you think otherwise. And all of the people in here are going to come meet with us and become clients and we'll all live happily ever after. But for some reason that didn't happen after the workshop.

So we took every experience that we had at the workshop and tweaked the process, whether it was where Ed sat in the room. How he communicated with people during lunch breaks, the types of little goodies and stuff that we offered to the attendees. While we were there, we tried to personalize things a little bit more just to give a little more personal touch. So we really just learned from every single workshop we had and tried to get better and obviously, it took us a little while we changed presentation pieces that we would hand out to them and just the system of the follow up and everything afterwards, making the Calendly links accessible and how easy was it to schedule a meeting?

And how many times did you have to hound them to try to schedule a meeting, which we try really hard not to because I don't like to do that. I don't want to hound anybody to schedule meetings. We just worked with it and we changed the process and we finally found what works best for us.

And they've been very successful since then.

Maddy Roche: You can so hear your operations mind working. As you recall that history, Amanda, it's really impressive.

Amanda Lique: Try not to get too boring and technical

Maddy Roche: You can see how valuable that kind of skillset can be when Ed, you're up in front of the room trying to garner the interest. Provide the education. So just to clarify for our listeners, and I'm curious, what is this company that you've contracted?

Like what is the relationship you have with that company? Do they pay you for the workshops? And how would you advise other people to look for opportunities like that?

Ed Smith: Sure. The company is called ProFeds and they do what's called the FedImpact workshops. They actually send a speaker out and they're the main speaker for the workshop, we're adding commentary to personalize it to how we've learned or how it's affected our clients from that. And so we pay for the speaker,

and then separately we pay for the space and we pay separately for the food. With the company, it's more than just the workshop. After that, we generate a report on their federal benefits which goes into all of the different aspects and complexity of them. And this is generally an eight hour workshop.

So it's a very in depth process. One of the things, and the reason why we partnered with ProFeds was they knew that if somebody sat in an eight hour workshop, they're going to walk away and they're not going to do anything. It's like financial plans. We develop a plan and then it goes and sits in a drawer.

And so they knew they needed a personal connection on the backside that somebody was going to get something of value and they actually could possibly take action and actually improve their life. And that's where we come in as we have two meetings after the workshop, one to gather information, build rapport, and then the second meeting to deliver value and the report to show, hey this is what our capabilities are.

And after the two meetings, there's no pressure. It's really just saying, hey did we exceed the values that was promised to you in the workshop? We always get a yes. Great, would you like to hear how we can help you? And if it's yes, we'll talk about what our services are. If it's no, great just go back to your workplace, tell other people of how valuable the workshop was and what you're able to get out of that.

Beyond the workshop though, ProFeds is our support center for federal employees. They are so complex and the agencies have a lot of unique intricacies that really no one person can know. Take for example, one of our clients, he was an air traffic controller that was hired after Reagan fired everybody that went strike on Christmas time 20 years ago.

And so what happened was there was a special benefit for two years for air traffic controllers to really boost air traffic controllers into that. This is something that's very unique that you have to know the intricacies of that. There's a what's called a special provision employee air traffic controllers in general.

There's just so much, so we go back and say, hey help us figure this stuff out. What does this mean? Oh yeah, this is that. And that was simple, And so they are our backbone when we get a complex issue. But it's also more than that. It's a community. It's other advisors that we're looking at helping each other grow our businesses.

Competitors that are just 20 miles away, we're helping and we're having conference calls. But more than that, Amanda is very instrumental in the operational side and helping other operational people learn what they can do to help grow their businesses. So it's, not just about the federal benefits.

This company really helps grow. So I would say if you're looking for somebody to support your niche, where can they provide value on elevating you, but also where can they help build you more than just a competitive nature for other places.

Maddy Roche: So did you reach out to ProFeds at the start and that's what created the relationship you pitched them? Or did they reach out to you? How did you bridge that?

Ed Smith: So when I've had that client when I was still working in the credit union, I had found them but there was a cost to be able to go through their training and stuff. And the credit union wasn't going to pay for it. So I reached out to them. I had to have an interview with the owner, Chris. She's also a Marine.

And she basically scrutinizes in making sure that you're of the caliber of person that she wants to have representing her company. And she just doesn't take anybody that's there. It was a very good interview making sure that we're going to take care of the clients. We're going to serve them and we're going to do the right thing for people versus just trying to sell them product or something on that side.

Maddy Roche: Amanda, expand a bit on what Ed tipped his hat to you about in terms of helping other organizations operationally. What does he mean by that?

Amanda Lique: So over the past couple of years I've attended the conference that ProFeds throws and I've connected with some of the other operational staff from some of the other firms that attend. And it's really just helping them dive into some of their processes and maybe tweak some things that they're not doing that we've found successful.

Not that their processes are wrong or anything like that but just from the experience that we've had over the years, trying to maybe make a few little changes but it's really just connecting with people too, it's not just random people that you'll never see again, you'll see them hopefully annually and we reach out to each other in between too and bounce ideas and questions off each other.

So it's been really great all around.

Maddy Roche: Ed, is this where you're getting most of your clients through the workshops?

Ed Smith: Yes, it's the most consistent source that we're getting them from. It's definitely the most source of leads. Most people aren't actually transferring over, it's the lowest percent, I would probably say of conversion. We're talking to a lot of people, but they go on our newsletter. We drip on them. We, send them things and then like I said, the first workshop, people come back two years later. It's constantly building that reputation in our brand and what people think of us. And it's not trying to make the sale. It's just saying, hey we're here for you when you're ready to go. We're here for you. And sometimes you have to look at your niche and saying, how do those people think? And for civilian federal employees, it takes them a long time to build that trust. And sometimes when it's there they're like, hey how can you help us? And we'll go back through that process.

So it's very consistent because we know that generally we'll get about two clients from a workshop. Not everyone was that way. And that's a lot to spend for two clients when you're looking at say \$8k but it's less than our annual revenue per client that we have. And we're looking at the long game. We're looking at

yes, we might lose the first revenue just on the marketing costs, not on our hours and everything else that we spend but over time we're going to have great clients for a long period of time.

Maddy Roche: Amanda, walk us through what the pipeline is from being a prospect, reading your emails, things like that, and converting into a client. What does that look like?

Amanda Lique: Normally they'd come in either through the workshop or they'll come in either through the website or from another referral. They come in and they have an introductory call where they basically just get introduced to the company, what our services are, how we can help them. And then from there, they do get added to the newsletter mailing list. So they'll get dripped on. They get a monthly newsletter. It's a very personal newsletter. It's not investment focused. It's not product focused or anything like that. Ed writes most of it. We add in our personalities and everything to it too because we want our clients to know who they're working with.

They can Google and get information anytime they want, but to really know who they're working with and get to know us a little better. We do that. But then we also have a message that goes out every month from our comfort manager, Everett. So he is actually Ed's dog. I'd love to credit him for writing his own newsletter but it's usually Ed or I taking turns and writing in Everett's voice, but that goes out monthly. So just a warm reminder that we're human and we're really there to connect with you. But then, aside from the drip, we really don't have an intense follow up process. We have people come back to us from the drip campaigns that we have. We might reach out once or twice after initial or the second meeting for the federal employees. But after that, we're not going to try to hound you and push you into becoming a client. And then once they decide to become a client, then obviously we have all our processes that we go through with them.

Maddy Roche: I imagine internal referrals at a hundred clients is one of your main lead sources. Is that true?

Ed Smith: Yes, we had a lot of referrals. And again, my first 18 years in the business, I'd get an occasional referral. We have referrals all the time and we have referrals on referrals, which is really cool. I was talking to a person that was interviewing us and they're talking about the person that referred them and they're like, oh and Joe said this. I'm like, who's Joe? You work with Joe too. And I'm like, I forgot you're all the same office. And that's what we're looking at and one of the things that we're, I know this is bad, but sometimes with that change from work from home and being forced back into the office, that's, what is it going to help us out as far as part of the growth because when people are on a Zoom call. Or whatever they're using, they're not complaining about their benefits or this or that. When they're in the office. They're like, oh my gosh, I can't believe this. And that happens quite frequently. We had somebody that was like, oh my gosh, this retirement paperwork it's driving me crazy. I don't even know where to begin. And they're like Ed did mine and they're like, who's Ed? You don't know Ed? Now they're a client. So those referrals come very much, but they happen a lot more in the office because that's where our niche is focused, the workplace.

So the more they're in the office, the more they're going to complain, the more referrals we'll see as that happens more and more.

Maddy Roche: Fascinating. The only benefit of working from an office, my friends.

Ed Smith: Exactly, yes. then there's the office parties too. You get that too.

Maddy Roche: Kidding, kidding. I don't want to jump quite into the working dynamic between the two of you virtually yet, but Amanda, you all have a very clear process of engagement when someone does become a client and you've got these different terms for the meeting numbers and things like that.

Could you walk us through, if I were to sign up with you, I'm a civilian federal employee, what could I expect from Valor?

Amanda Lique: You will never know all of these codes that we use. As a client coming on, those are internal codes that we use for our processes but everything is very systematized, from the emails that go out to the data that's being presented, the format it's being presented in. So if you come in as a new client, you're going to sign the client agreement.

You're going to have your first meeting and then after that 1st meeting, you're going to get your invitations to certain systems to upload documents and you're going to get a follow up email to let you know what we covered at this meeting, a little summary and what to expect in the next meeting. And then the process just continues. So a new client to go through the financial plan development process will meet at least 4 times. So they go through that and each meeting has a very specific purpose and different information that they go over and information that they receive, but then they still get those emails.

They still get the reports that are promised at the end of them and that's pretty much how everything goes. So I don't want to get too boring and too granular.

Maddy Roche: I can imagine even our members who are listening are like, oh my God. I wish things were that organized in the firm. So tell me, how do you two work together? As someone onboards, who's owning what?

Who's in the meetings?

Amanda Lique: I've created a lot of workflows to help guide us through our processes because we're not in the same office together. I can't just run around the corner and say, I need you to do this and he can't do the same. So we've used the workflows in our CRM to really help guide.

So as we go through a process, it's as granular as send an email, update the date of birth, I didn't want anybody to miss any steps, especially as we scale, we've been doing it for a while but as we scale, we want to make sure that the next employee here could be able to follow the process with minimal explanation.

So the workflows really keep us on task and keep the process moving forward.

Maddy Roche: Great, Ed anything to add to that?

Ed Smith: Yes, the workflows are there. It's getting the people to actually follow the workflows. That's a problem. And that's me. Like I said, my deficiencies, I know my weaknesses very well. And it's very challenging when you're working on a team. That when one person isn't doing their job to expect the other person to do their job. I own that. and so it's sometimes it's like things aren't getting done because I'm not clicking the boxes that are very simple. Yes, I sent the email or did I send the email? And so it's a very great system, but the system doesn't work if you're not using the system.

And I think that's a very important thing that when you're relying on people on a team, you have to be able to make sure of that. So I completely own that, we're trying to find ways to make me better at those things. But it's just some of the things is, you do things by yourself or you make the rules and you're like, oh I don't have to follow the rules but no, you do have to follow the rules.

So that's a very important step because it does hurt the product that we're delivering and I know it's a service, but it's really a product because it's so systematized and how we do it.

Maddy Roche: Ed and Amanda, you recently welcomed a new teammate to the team and, it's not a new puppy. Tell us about your decision around hiring and who you went with.

Ed Smith: We were challenged with trying to be able to make sure that I'm, I was getting overwhelmed. There's only so many hours and I needed to be able to relieve some of that pressure to try to, we need somebody that could, hit the ground running to take some of the leads that we have off.

We have so much new business coming in. We actually had to put a wait for a little while, just to be able to manage that. So we wanted somebody that was very, had not some experience. It wasn't super experienced, didn't have a lot of bad habits but we could really groom them into what we need to be able to do.

And so when we had the criteria for the recruiters, we, basically, the one of the people that was an absolute no, because they had no experience in the industry were like, we can't teach. We don't have, we don't have the time to teach. We need to get them working right away. And when we went back to the recruiter, like you need to really have a meeting with this person and we're like, all right.

And so that some of the people with the most experience, we said no to, and this person that had no experience that we had said no to, that's the person we hired because the energy that they showed in the first interview, they were so grateful to have that first interview that what we were Talking about how we're doing it. It was just, that's the energy that we need for another person on the team that gets where we're trying to go. It's going to take a lot longer to make them ready to be at the level that we needed to be by themselves. We'll be doing a lot more teamwork, but I don't think you can find, you can't create that energy in a person.

You have to be able to find that energy. And they just were like, oh my God, this is amazing. So they, they went and took a trial software before they actually came on board so they can start learning our software systems. They're like, how, can I get some information on federal employees so I can start learning in this?

And I'm like, no, take your time. We'll deal it out at a certain point. We'll show you at the level that you need to be able to do. We need to get you learning something first. And so it was just very surprising that what we said no to was the absolute best thing for us. And it's only been a couple of weeks, but so far it's been an incredible experience they haven't stopped on that energy, exploring the curiousness of them. Wanting to be able to be part of the team, personality. These are just huge things that you just can't, you can't train somebody to, they have to have that. And so that was something that really meshed with our culture of the three of us.

Maddy Roche: I am so glad that you shared all of that, Ed. I think it's such a good reminder to our listeners. I've worked with a number of advisors who are like, we just want someone that can hit the ground running the second we hire them. And they need to have a certain amount of experience. You paid and invested in a recruiter to help you choose and it was the recruiter that kind of paused you and said, no, we've already had a meeting with this person. We want you to have that conversation. So it's not necessarily go get a recruiter so they can put people in front of you that you may not have thought about but just with Ed's advice around how to consider these other softer, less tangible qualities of an individual that can really contribute to a team dynamic and put as much value towards that as you would having your CFP® and 10 years of experience.

And, I just want to correct the listeners. It's not that this employee doesn't have experience. He just doesn't have experience in this industry. Is that right?

Ed Smith: Exactly. They have a lot of personality experience working with other people, running teams. Just a lot of different areas that are extremely valuable. Yeah, they don't have the financial planning experience. And I want to be able to talk about, as a small team, bringing on a new person isn't always about the action of their title. And what I mean by this is one of the things that this person does bring is a lot of business experience that can help us as we grow. But more importantly we're in a place where if something was to happen to me, which is one of the biggest concerns that you have to look at a business is what is Amanda going to do?

What are our clients going to do? How are our clients going to be protected? How is everybody going to be able to run in the scenario and while another advisor can fill that gap when they're up to the capacity, what this person with their business experience can do is help Amanda negotiate the next level of where it's bringing on the right amount of talent.

And we've identified other firms that we like, and that we would be very in a good mix with, and trying to be able to make sure that the clients are protected and the team members are protected. I think that level. While the experience isn't there on the planning can help Amanda. So she's not alone trying to do this could be, it would be very positive.

So there's, things that you don't think of when you're looking at the ideal candidate. That's wow, this actually makes a lot of sense.

Maddy Roche: Amanda, what's been your experience as you've welcomed this teammate on to the team?

Amanda Lique: I was quite nervous. Obviously Ed and I have been working together pretty much side by side, but not really for five years now, but it was a little scary to welcome somebody else in because you don't know how it's going to change the dynamic of the team and how it's going to rock the boat. But he's come in with so much energy and so much heart and he just fits in so well. But I look forward to jumping on a call with him and chit chatting for 5 minutes before we dive into work stuff. And it's. It's been fantastic from my side. I haven't done a lot of training or anything yet because obviously, he's got a lot to learn before I start teaching him workflows and systems, but just having him be there and have another person to chat with and everything. It's been really great so far. It's definitely building the culture that we've really wanted to build.

Maddy Roche: I'm so glad that it's been a soft landing, both for the teammate and for both of you. The dialogue also just brings up in my mind some, just like

how stale our interviewing process is in this, world of ours. We look at everything on a piece of paper and we make judgment calls and I have an experience of, hearing about a group interview to get into grad school and just how dynamic that would be to see how people interact with people before you even choose to pull them into individual interviews.

There are ways to change the way we gauge whether someone could fit into our firm or not. And, I'm so thankful that you two have found a gem, that can elevate the company. Ed, paint the picture of what is Valor in five years. What's the game plan?

Ed Smith: Well from the beginning I always knew that there was so much opportunity in this area. There's roughly 3 million civilian federal employees. There's nothing that we could even do by ourselves, and so part of where I wanted to be was actually have a bigger impact, make more resources for people, give them better guidance, better knowledge and I'm so much of a better advisor than I was five and a half years ago. We want to be able to have a big team. We want to be able to grow. And that's why from day one, we spent a lot of time and energy systematizing everything. So when we were ready to pop.

It was the systems where we won't have to try to figure out how it's, how we document this, that's how we do this. So everything that we have done has been ready to expand and grow fast. And so when we get that capacity, and it's really about dialing in the marketing and which we've tested a lot of different things.

And so now we've tested enough things and now we're ready to expand. And once we get that a little bit of revenue, then it's going to grow. So five years out, we do see a lot bigger team, but we also know it's just not about the advisors. It's also the operational staff, Amanda doesn't come from this industry.

So there's things that challenge her on a daily basis that she's never done before she learns, but it's things that I would rather somebody else do. And so bringing on the operational team to augment her, not just more revenue is very important and it's looking at what are the things that she needs, not just how do we create more revenue?

That's very important for the growth. So it's a balance of those things to make sure that we're protecting the firm, but growing smartly and not being overwhelmed in one area.

Maddy Roche: Amanda, what are your priorities over the next few years as you are leading the operations arm of this business?

Amanda Lique: I guess priorities is to really support the team, make sure that they have all the systems in place and everything's working functionally. I think more to work with clients and keep those personal relationships and really prioritize the service. They're getting, make sure that everything's consistent.

We want to make sure there's a consistency that every client's receiving, no matter which advisor they're working with. So that's definitely the priorities and then letting go of some of the tasks that somebody else could do, hire an admin or somebody to help out with some of the tasks and little things, filing and stuff like that, that I still somehow enjoy doing just because it's one check mark off my list every day.

But, getting rid of some of those things, getting rid of some of the big ticket things that are scary, like Ed mentioned, I can sit there and I can research till the end of the day. And I could implement things, but there's an uneasiness sometimes that comes into some of the things that I'm doing that, even though I know I'm doing them right, If I didn't have to do them, it wouldn't be so bad. So really focusing on what I'm good at, it's the clients and the processes.

Maddy Roche: Ed, you've been doing this for over five years now, and with a teammate like Amanda, I'm sure it's relieved some stress from you, but as an entrepreneur, you're going to bed with a whole new set of anxieties and worries and concerns and thoughts that I coach a lot of new members about embodying and embracing and accepting because that is part of the journey of an entrepreneur from what we've understood at our vantage point at XY. And so I'm wondering at what point during these past five years, did you think like this may not work and be honest, and how did you navigate that?

Ed Smith: The first one was when we didn't get the inflow of clients that we thought we were going to get. I guess I'm taking more out of my 401k than I have. And clients will ask and just on that it's what are you invested in? I go, I'm invested in this company. I decimated my 401k. The only investment I have is this company at this point. I don't recommend that, but that's how much faith I have in the two of us to grow something. That's really huge. We're all in on, I'm all in on this. And it's scary when you don't have the revenue coming in and you're hoping that you can be able to do this.

Yeah, that was the first really big thing. And then the workshops were such a big cost. Our first year revenue compared to expenses, and we made some very bad choices and it's learning from those choices, things like. We're trying to build the company that we wanted to see in the future versus the company that we could afford.

And that's getting things like a CRM that would be phenomenal. And we're probably, we might go back to it, but now we can't afford the cost to make it what it, what we need it to be. And so we had to scrap probably \$20k of money that we just put into building it out and just say, you know what, we can't keep doing this, we need to work on the budget. And Amanda has been very valuable on that. We also used to have spending problems, where we didn't know where income was coming in. Luckily enough as a veteran, I have resources, on classes that are free for veterans. one of them is Bunker Labs as a new launch.

Another one is a program called VETRN that is brought by the small business administration, both phenomenal programs that helped us get over some hurdles and tried to really show us where we needed to be at that point. And from VETRN the class, both of them were completely free. The biggest thing that we got out of that was they use a 12 week cashflow analysis, and we turned it into a 15 week cashflow analysis because part of our revenue comes on a quarterly basis.

We always want to be able to have that next big bump coming out, but it's always that week before that bump is scary. It's always going to be scary because we're at the lowest point before we get a huge influx of cash. And even though we do get monthly revenue and one off revenue, that quarterly is always a big thing. So being able to see that really helped us see, wow, in four weeks, we are negative on cashflow. What are we going to do? How are we going to fix these things? So those are really scary points when you're trying to figure out how to survive. And I think that's the biggest thing is part of the game in the first couple of years is survive.

Once you can come back to surviving, then you can go back to the growth and what you want and what you envision the company to be, and to me that's really the scariest parts is I can't not pay people. We need to make sure that this is there. that responsibility that's huge as a business owner. I don't regret the decision at all, but it's tough when you're trying to make ends meet.

And then when the 401k is gone, I'm like alright, now what do I do? I was looking at do I start driving for a car company and doing ride sharing? Do I do that? And then COVID happened. I'm like, yeah I'm not getting in those cars. I will find other means. Luckily I did not have to take another job.

It just, it clicked right at the right time. We got resources, we got a grant, we got other things that saved us. But it's tough. Cashflow is tough. It's a scary thing.

Maddy Roche: Thank you for sharing that. Amanda, any specific memories stand out to you as, oh gosh, I'm not sure if we're going to make it?

Amanda Lique: There, there are a few times I was a little worried about whether I was going to have a job or not looking at the 15 week cashflow. But I'm in this for the long haul, and it's known that since the beginning. So there were discussions about, do we need to tweak anything? Where can I bend?

Where can we flex a little just to make this work? Because the end result always was in sight. So there was never. I didn't realize that he had these moments of is this actually going to work? This is new to me. So I've gone to bed every night thinking I was going to have a job. Maybe I shouldn't have, but no, no, I think, that 15 weeks been instrumental in us knowing where we are and really being able to manage the expenses and really cut back on stuff that we were spending that we didn't need to be spending.

Maddy Roche: Thank you for your, openness there. That's, a challenging question. I haven't always asked that. But I must give you two credit that when I chat with you, I laugh more. I feel like I've got goosebumps and I tear up more than I do with most advisors. So although things have been frustrating and scary in the past, I must tell you that there is a level of fun and humility,

and flourishing that, that both of you exude as you work and sit down every day, and as you loop other people like me into your business and invite other members to learn more. Folks, I, really encourage you to check out, both Ed and Amanda's website and, to stay in touch and to watch the things that they're producing, cause they're really at the front of their game.

As we round out this episode, there is a component to the way you've worked with your clients that have really stood out to me, and you I would love for one of you or both of you to chime in about what you've done with what you call planks.

Maddy Roche: And I think it's a nice way to leave our listeners as inspiration for what they can do when they create a culture of community within their client base. So who would like to take the honors and explain what a plank is at Valor?

Amanda Lique: Ed, why don't you explain what it is real quick and then I'll

Ed Smith: Sure. So a plank is a military term. It's actually a "plankowner" is somebody who is the first crew of a ship. Each plank owner is entitled to a plank. Or a deck of the main deck of the ship. And since we don't have a ship,

we decided to create something that was new and unique to select group of people and Amanda, you can take it from there.

Amanda Lique: OK, so Ed came to us or came to me and presented his idea of what he wanted to give our founding clients. As a gift, as a symbol of our appreciation for being so trusting and willing to jump on when we were a new company and they were not inexpensive. I'll tell you that. So at first I thought he was crazy and I tried to think of anything else I could have thought of that maybe would have been a little more cost effective because that's my job. But we had these planks made and we shipped out a lot of them to clients. But we also had a five year anniversary party and we were able to present these planks to people in person. And I think that was the moment in my five years that it really clicked for me. Like I stood in that room and I'm like, we are not just a financial planning team.

He is not just an advisor. I'm not just an operational staff or an admin. These people are our families now. Like I honestly can say the clients I've met and I've worked with, I love these clients. Like I look forward to talking to them. I said to Ed, I said, it's the people, the personalities and the relationships.

Like the numbers are just numbers. Like it's really what we've built around the relationships and getting to know everybody and being there for them. And it goes both ways. I know there's a lot of clients out there that would have my back if I needed something. So it's really, it's been unbelievable to get to know these people and build what we've been building. So that's why I've never regretted it.

Maddy Roche: What a beautiful end to this interview. That focus on that relationship is so important for our listeners. So many folks come in thinking they've got to prove their technical expertise. And by God, no you don't immediately. You need to be human. You need to have a relationship. You need to be someone people want to have in their corner.

So just the highest cheers to both of you. it's been a total pleasure to work with you over the years. I can't wait to see what this firm and each of you do individually, as well as your new teammates that you welcome on coming years, folks, they're hiring all the time, so please do add them to your ticker to make sure that you see anything that comes out from them.

Final word, Ed?

Ed Smith: Just thank you. This is just a great experience and I'm really glad that we were able to not just have myself, but have Amanda here because this company would not be here without both of us doing this. and to those out there that are looking at an operation team, the best way to make sure they never leave,

is make them a partner. And that's part of the reason why she's a partner. One it's, she has so much heart into this company, it's something we're building together. And I would be very lost without her helping me grow the company.

Maddy Roche: Amanda, final words.

Amanda Lique: Really, it just comes down to don't be afraid to take a risk. If there's something there that you think is more. I don't even really know how to say it, but there, there was something there. And I knew that I had to explore the opportunity.

I knew that I would regret not seeing what could happen a lot more than if it didn't work and I had to do something else. If the opportunity presents definitely jump on. And I am not a risk taker by any means.

Maddy Roche: You guys give me inspiration. I'm ready to get out this door and take a risk. Thank you all listeners. Always a pleasure to have you. Thanks for tuning in. We'll see you in two weeks. Thank you, Ed and Amanda.

Amanda Lique: Thanks, Maddy.

Ed Smith: Thank you.